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February 29, 1996

BY OVERNIGHT MAIL

Mr. William F. Caton
Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: WT Docket 96-18

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Enclosed for filing please find an original plus nine (9) copies of the Comments of Frontier Corporation in the above-docketed proceeding.

To acknowledge receipt, please affix an appropriate notation to the copy of this letter provided herewith for that purpose and return same to the undersigned in the enclosed, self-addressed envelope.

Very truly yours,

Michael J. Shortley, III

cc: International Transcription Service

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## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554 In the Matter of Revision of Part 22 and Part 90 of the Commission's Rules To Paging Systems Implementation of Section 309(j) Of the Communications Act -Competitive Bidding PECCIVED RECCIVED MAR 1100K FCC NOCL ROO WT Docket No. 96-18 PP Docket No. 93-253

## COMMENTS OF FRONTIER CORPORATION ON INTERIM LICENSING PROPOSAL

Frontier Corporation ("Frontier") submits these comments on the interim paging licensing procedures that the Commission proposes to adopt pending promulgation of final rules to govern the licensing of paging frequencies that the Commission is considering in this proceeding.<sup>1</sup> The Commission proposes essentially to freeze the processing of new applications for paging frequencies, except under limited circumstances.<sup>2</sup>

The Commission should decline to adopt this proposal. The necessity for the freeze is wholly dependent upon the Commission's tentative conclusion that it should convert the licensing procedures for most paging frequencies from a site-specific process to a

Revision of Part 22 and Part 90 of the Commission's Rules To Facilitate Future Development of Paging Systems, WT Dkt. 96-18, Notice of Proposed Rulemaking, FCC 96-52, ¶¶ 139-49 (Feb. 9, 1996) ("Notice").

Notice, ¶¶ 139-40.

One of those exceptions is that existing licensees may modify or add to their systems so long as such modifications of additions do not expand the interference contours of existing systems.

geographic licensing process. For purposes of responding to the interim freeze proposal, the Commission's own analysis demonstrates that a shift to geographic licensing is not necessary to respond to market demand. As the Commission notes, demand for paging services has skyrocketed in the last few years.<sup>3</sup> It further observes that, "[a]t present, more than 600 licensed paging operators compete for business, offering customers a *wide array* of options in terms of coverage area, transmission quality, system reliability and price."<sup>4</sup> From all appearances, the existing system of licensing paging frequencies is working reasonably well. Thus, the need for the Commission to adopt a geographic licensing system for paging frequencies is less than apparent.<sup>5</sup>

In addition, as the Commission itself notes,<sup>6</sup> paging frequencies are already heavily licensed and the Commission proposes to permit incumbent licensees to continue to operate under their site-specific authorizations (but without the ability to expand their existing interference contours).<sup>7</sup> It is thus not at all clear how much spectrum would actually be available for geographic licensing.

<sup>&</sup>lt;sup>3</sup> *Id.*, ¶ 6.

<sup>4</sup> Id., ¶ 7 (emphasis supplied).

While Frontier does not disagree with the conclusion that the existing licensing system engenders significant regulatory delay (see Separate Statement of Commission Chong at 1), it believes that the proposed cure is worse than the evil it is designed to remedy.

<sup>6</sup> *Id.*, ¶¶ 13-14, 17-18.

The purported benefits from adopting a geographic licensing system appear more illusory than real and it is even less clear that the Commission could achieve whatever benefits it perceives by adopting geographic licensing. In these circumstances, there is no reason to freeze the processing of new license applications while the Commission considers a proposal that it should not adopt in any event.

Not only will the processing freeze produce no benefits, it will adversely affect existing licensees and the public alike. The freeze will prevent existing licensees from expanding their systems.<sup>8</sup> This will deny to incumbent licensees the flexibility to modify their systems to respond to consumer demand. As the Commission at least implicitly recognizes,<sup>9</sup> incumbent licensees have performed this service well. Given this proven track record, it is counterproductive for the Commission to deny to the public the ability to receive new and better services and to deny to incumbent licensees the ability to meet this demand.<sup>10</sup>

As noted above, see supra at 1 n.2, the Commission would permit incumbent licensees to add to or modify their existing systems so long as such modifications or additions do not expand existing interference contours.

<sup>9</sup> See supra at 2.

At a minimum, the Commission should adopt its alternative proposal (Notice, ¶ 143) to permit an incumbent licensee to modify its existing system to expand its interference contour with such modifications receiving secondary authorization.

For the foregoing reasons, the Commission should decline to adopt its interim licensing freeze proposal.

Respectfully submitted,

Michael J. Shortley, III

Attorney for Frontier Corporation

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